

Alaska Department of Revenue
Permanent Fund Dividend Division
EXPLANATION OF REDUCTIONS POSTED ON PFD PAYMENT STUBS

Each year the PFD Division sends out dividend direct deposit notices and checks with information about how the individual's dividend was reduced for various programs. Reductions for each program are explained below.

Medical and Public Assistance Hold Harmless

The medical and public assistance hold harmless reduction results from an appropriation made by the legislature from the PFD Fund to keep public assistance benefits intact when recipients receive their dividend.

Under Alaska Statutes (AS) 43.23.075, the state may not consider a dividend as income by public assistance recipients. If this statute did not exist, the person receiving the dividend would have to count the dividend as income, and that income would reduce or eliminate the person's assistance benefits.

For example, a recipient's benefit is \$362 per month in public assistance and that person receives a 2007 dividend of \$1,654.00. Following federal eligibility rules, the dividend would be counted as income and the recipient's public assistance would be eliminated. However, as required under AS 43.23.075 and under the hold harmless appropriation, the \$362 public assistance benefit for the recipient is maintained.

Felons and Misdemeanants

The felons and misdemeanants reduction results from an appropriation made by the legislature from the PFD Fund to obtain reimbursement for some of the costs imposed on the state criminal justice system relating to incarceration or probation, and provide funds for services for and payments to crime victims, and for grants for the operation of domestic violence and sexual assault programs.

Those felons and misdemeanants who are not eligible for a dividend are (1) persons sentenced as a result of a conviction of a felony; (2) persons who were incarcerated as a result of a conviction of a felony; (3) persons who were incarcerated as a result of a conviction of a misdemeanor if the person was convicted of a prior felony; or (4) persons who were incarcerated as a result of a conviction of a misdemeanor if the person was convicted of two or more prior misdemeanors.

Dividend Program Administrative Costs

The dividend program administrative costs reduction results from an appropriation by the legislature from the PFD Fund to fund the operations of the PFD Division. This appropriation covers costs of processing dividend applications and paying dividends to eligible applicants. For more information about the PFD Division and program, visit our web site at www.pfd.alaska.gov or contact your local Dividend Office.

Prior Year Dividend Obligations

The prior year dividend obligations reduction results from an appropriation by the legislature from the PFD Fund to fund prior year dividends that the PFD Division will pay this fiscal year. The PFD Division incurs obligations for prior year dividends for the following circumstances:

Payment of dividends to 18 year-olds who did not receive their dividend as a minor. When a minor turns 18, that person may claim dividends for all years that he or she did not receive a dividend while they were a minor. As an example, a child may not have received a dividend in a prior year because the parent forgot to file an application or filed a late application that was denied.

Payment of checks that were cancelled or stale dated in the prior year and for which a person comes forward in the current year to have the check reissued.

Payment of prior year dividends for which an appeal is resolved in favor of an applicant.